



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB6240

by Rep. Esther Golar

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.826 new	
30 ILCS 330/2	from Ch. 127, par. 652
30 ILCS 330/7.6 new	
30 ILCS 330/12	from Ch. 127, par. 662

Amends the General Obligation Bond Act. Provides that an additional \$4,000,000,000 in general obligation bonds is authorized to be issued and used for the purpose of making payments to bona fide creditors of the State who: (1) have submitted a bill or invoice to the State that (A) was properly approved under rules adopted under Section 3-3 of the State Prompt Payment Act prior to September 1, 2012 and (B) was not paid within 30 days after the bill or invoice was submitted to the State Comptroller; or (2) are entitled to payment from State funds if the State is more than 60 days delinquent in the payment of those funds as of September 1, 2012. Provides that the proceeds of the additional bonds shall be deposited into the State Fiscal Responsibility Fund, a special fund created in the State Treasury. Provides that the Fund is not subject to sweeps, administrative charges, or chargebacks. Amends the State Finance Act to create the Fund. Provides that proceeds from the bond sale may not be used to make contributions to pension systems. Effective immediately.

LRB097 23326 HLH 72162 b

FISCAL NOTE ACT
MAY APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by adding
5 Section 5.826 as follows:

6 (30 ILCS 105/5.826 new)

7 Sec. 5.826. The State Fiscal Responsibility Fund.

8 Section 10. The General Obligation Bond Act is amended by
9 changing Sections 2 and 12 and by adding Section 7.6 as
10 follows:

11 (30 ILCS 330/2) (from Ch. 127, par. 652)

12 Sec. 2. Authorization for Bonds. The State of Illinois is
13 authorized to issue, sell and provide for the retirement of
14 General Obligation Bonds of the State of Illinois for the
15 categories and specific purposes expressed in Sections 2
16 through 8 of this Act, in the total amount of \$51,092,925,743
17 ~~\$47,092,925,743~~ ~~\$45,476,125,743~~.

18 The bonds authorized in this Section 2 and in Section 16 of
19 this Act are herein called "Bonds".

20 Of the total amount of Bonds authorized in this Act, up to
21 \$2,200,000,000 in aggregate original principal amount may be

1 issued and sold in accordance with the Baccalaureate Savings
2 Act in the form of General Obligation College Savings Bonds.

3 Of the total amount of Bonds authorized in this Act, up to
4 \$300,000,000 in aggregate original principal amount may be
5 issued and sold in accordance with the Retirement Savings Act
6 in the form of General Obligation Retirement Savings Bonds.

7 Of the total amount of Bonds authorized in this Act, the
8 additional \$10,000,000,000 authorized by Public Act 93-2, the
9 \$3,466,000,000 authorized by Public Act 96-43, and the
10 \$4,096,348,300 authorized by Public Act 96-1497 shall be used
11 solely as provided in Section 7.2.

12 The issuance and sale of Bonds pursuant to the General
13 Obligation Bond Act is an economical and efficient method of
14 financing the long-term capital needs of the State. This Act
15 will permit the issuance of a multi-purpose General Obligation
16 Bond with uniform terms and features. This will not only lower
17 the cost of registration but also reduce the overall cost of
18 issuing debt by improving the marketability of Illinois General
19 Obligation Bonds.

20 (Source: P.A. 96-5, eff. 4-3-09; 96-36, eff. 7-13-09; 96-43,
21 eff. 7-15-09; 96-885, eff. 3-11-10; 96-1000, eff. 7-2-10;
22 96-1497, eff. 1-14-11; 96-1554, eff. 3-18-11; 97-333, eff.
23 8-12-11; 97-771, eff. 7-10-12; 97-813, eff. 7-13-12; revised
24 7-23-12.)

25 (30 ILCS 330/7.6 new)

1 Sec. 7.6. Payments to bona fide creditors.

2 (a) The amount of \$4,000,000,000 is authorized to be used
3 for the purpose of making payments to bona fide creditors of
4 the State who: (1) have submitted a bill or invoice to the
5 State that (A) was properly approved under rules adopted under
6 Section 3-3 of the State Prompt Payment Act prior to September
7 1, 2012, and (B) was not paid within 30 days after the bill or
8 invoice was submitted to the State Comptroller; or (2) are
9 entitled to payment from State funds if the State is more than
10 30 days delinquent in the payment of those funds as of
11 September 1, 2012. For the purposes of this Section, the term
12 "bona fide creditor" includes, but is not limited to,
13 healthcare providers, public and private universities, school
14 districts, units of local government, and State vendors. The
15 proceeds of the additional \$4,000,000,000 of bonds authorized
16 by this amendatory Act of the 97th General Assembly shall not
17 be used to pay contributions to any pension or retirement
18 system of the State, any unit of local government or school
19 district, or any agency or instrumentality thereof.

20 (b) The proceeds of the additional \$4,000,000,000 of bonds
21 authorized by this amendatory Act of the 97th General Assembly,
22 less the amounts directly paid out for bond sale expenses under
23 Section 8, shall be deposited into the State Fiscal
24 Responsibility Fund, a special fund created in the State
25 Treasury. Moneys in the State Fiscal Responsibility Fund shall
26 be used to make payments to bona fide creditors of the State,

1 as defined in subsection (a). Those payments shall be made by
2 the Comptroller according to the date on which the debt first
3 became delinquent, with the oldest debts to be paid first.

4 (c) The State Fiscal Responsibility Fund is not subject to
5 sweeps, administrative charges, or chargebacks, including, but
6 not limited to, those authorized under Section 8h of the State
7 Finance Act, or any other fiscal or budgetary maneuver that
8 would in any way result in the transfer of any funds from the
9 State Fiscal Responsibility Fund to any other fund of this
10 State.

11 (30 ILCS 330/12) (from Ch. 127, par. 662)

12 Sec. 12. Allocation of Proceeds from Sale of Bonds.

13 (a) Proceeds from the sale of Bonds, authorized by Section
14 3 of this Act, shall be deposited in the separate fund known as
15 the Capital Development Fund.

16 (b) Proceeds from the sale of Bonds, authorized by
17 paragraph (a) of Section 4 of this Act, shall be deposited in
18 the separate fund known as the Transportation Bond, Series A
19 Fund.

20 (c) Proceeds from the sale of Bonds, authorized by
21 paragraphs (b) and (c) of Section 4 of this Act, shall be
22 deposited in the separate fund known as the Transportation
23 Bond, Series B Fund.

24 (c-1) Proceeds from the sale of Bonds, authorized by
25 paragraph (d) of Section 4 of this Act, shall be deposited into

1 the Transportation Bond Series D Fund, which is hereby created.

2 (d) Proceeds from the sale of Bonds, authorized by Section
3 5 of this Act, shall be deposited in the separate fund known as
4 the School Construction Fund.

5 (e) Proceeds from the sale of Bonds, authorized by Section
6 6 of this Act, shall be deposited in the separate fund known as
7 the Anti-Pollution Fund.

8 (f) Proceeds from the sale of Bonds, authorized by Section
9 7 of this Act, shall be deposited in the separate fund known as
10 the Coal Development Fund.

11 (f-2) Proceeds from the sale of Bonds, authorized by
12 Section 7.2 of this Act, shall be deposited as set forth in
13 Section 7.2.

14 (f-5) Proceeds from the sale of Bonds, authorized by
15 Section 7.5 of this Act, shall be deposited as set forth in
16 Section 7.5.

17 (f-6) Proceeds from the sale of Bonds authorized by Section
18 7.6 of this Act shall be deposited as set forth in Section 7.6.

19 (g) Proceeds from the sale of Bonds, authorized by Section
20 8 of this Act, shall be deposited in the Capital Development
21 Fund.

22 (h) Subsequent to the issuance of any Bonds for the
23 purposes described in Sections 2 through 8 of this Act, the
24 Governor and the Director of the Governor's Office of
25 Management and Budget may provide for the reallocation of
26 unspent proceeds of such Bonds to any other purposes authorized

1 under said Sections of this Act, subject to the limitations on
2 aggregate principal amounts contained therein. Upon any such
3 reallocation, such unspent proceeds shall be transferred to the
4 appropriate funds as determined by reference to paragraphs (a)
5 through (g) of this Section.

6 (Source: P.A. 96-36, eff. 7-13-09.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.